

Program A: Administration Program

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2003-2004. Objectives may be key or supporting level. The level of the objective appears after the objective number and before the objective text.

Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document. Performance indicators may be key, supporting, or general performance information level. Key level is indicated by a "K" in the "Level" column of the standard performance indicator table. Supporting level is indicated by an "S" in the "Level" column of the standard performance indicator table. General Performance Information indicators appear in tables labeled as General Performance Information.

Performance indicator values for continuation level are performance levels proposed by the agency in its continuation budget submission.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program A: Administration/Fiscal

1. (KEY) To retain accreditation by the National Association of Insurance Commissioners (NAIC) through the fiscal year.

Strategic Link: This operational objective is linked to Strategic Objective(s) I.1.1 - Maintain aggressive approach to financial examination and analyses of domestic companies; I.1.2 - Respond within three working days to requests for public information; I.1.3 - Work with other states and the NAIC to develop national standards for regulation that promote the sharing of information about insurers and producers among the states, minimize or eliminate duplication of work, and allow the states to retain control of regulation of the industry.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: Accreditation by the National Association of Insurance Commissioners remains in effect until suspended or revoked. NAIC performs reviews of the department's regulatory activities, policies and procedures to determine whether continued accreditation is appropriate. Our accreditation is evidence that the department is meeting the standards of the national organization that exists to promote effective insurance regulation and protection to insurance consumers. This indicator is expressed as a percentage because the LAPAS system accepts only numeric expression.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
6389	K	Percentage of accreditation by the National Association of Insurance Commissioners retained	100%	100%	100%	100%	100%	100%

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GENERAL PERFORMANCE INFORMATION: DIVISION OF PUBLIC AFFAIRS						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
6391	Percentage of public information requests answered within three working days	100	100	100	100	100
881	Number of calls involved in responding to media requests ²	2,628	1,924	3,503	1,226	2,621
882	Number of press releases prepared and issued	71	79	159	83	97
883	Number of consumer publications distributed	59,787	31,057	57,112	72,712	26,688

¹ Depending upon the nature of the request, one or many phone calls may be involved in providing the requested information.

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2. (KEY) Through the Internal Audit Division, each fiscal year, to identify the adequacy or weakness of the department's internal control processes by performing scheduled internal audits, and assuring that there are no repeat findings in the legislative auditor's annual report.

Strategic Link: This operational objective is related to the department's Strategic Objectives: II.1.1 - Adequately staff the internal audit division to allow for performance of scheduled audits; II.1.2 - Risk assessment/audit schedule for the coming year has been prepared and approved by the agency head or his/her designee before the end of the current fiscal year; II.1.3 - Establish and adhere to time limits for each scheduled internal audit.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The internal audit division's staff was reduced from two auditors and one supervisor to one supervisor only. The one employee in the division is responsible for preparation of the annual risk assessment/audit schedule, all administrative and managerial duties of the division, performance of all internal audits, and all follow-up of audits performed.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13786	S	Number of internal audits scheduled ¹	Not Applicable ¹	5 ¹	5	5	5	5
6369	S	Number of Internal audits performed ²	12 ²	5 ²	5	5	5	5
6394	S	Percentage of internal audit recommendations adopted	100%	100%	100%	100%	100%	100%
887	S	Number of repeat internal audit findings	0	0	0	0	0	0
6395	K	Number of repeat findings in the annual legislative auditor's reports	0	0	0	0	0	0

¹ This performance indicator did not appear in Act 12 of 2001 and has no performance standard for FY 2001-2002. The value shown for FY 2001-2002 yearend actual is an estimate.

² The revised risk assessment/audit schedule called for fewer than the 12 audits originally scheduled for FY 2001-2002. The risk assessment/audit schedule was revised as a result of the legislative auditor's report, well after the operational plan was completed and Act 12 had been enacted.

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3. (SUPPORTING) Through the Fiscal Affairs Division, to collect, each fiscal year, revenue that the department is responsible to collect on its own behalf and on behalf of the state.

Strategic Link: This operational objective is related to Strategic Objective(s): II.2.1 - Assessment invoices are mailed no later than thirty days prior to the due date of the assessment payment; II.2.2 - Revenue is receipted and batched within 24 hours; II.2.3 - The section within DOI responsible for revenue outstanding and delinquent is notified so that any available recourse for collection can be taken (suspension, revocation, additional fines or penalties, etc.)

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The performance indicator "Percentage of revenue classified within 72 hours of its deposit to state treasury" has been adopted because the internal and legislative auditors questioned its predecessor "Percentage of revenue classified within 48 hours of its receipt", as their interpretation of state law is that revenue must be deposited with 24 hours of its receipt by the agency. Performance indicator "Total fees collected in \$ millions" has been moved to General Performance Information level.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13787	S	Percentage of revenue classified within 72 hours ¹ of its deposit to state treasury	Not Applicable ¹	Not Available ¹	90% ²	90% ²	90%	90%

¹ This performance indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. Data for this indicator were not collected in FY 2001-2002.

² Although the FY 2002-2003 performance standard for this indicator is 90%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that the anticipated yearend figure is 95%.

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GENERAL PERFORMANCE INFORMATION: FISCAL AFFAIRS DIVISION						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
898	Number of different tax types collected	9	9	9	9	9
899	Number of different fees and assessments collected	40	38	38	38	38
891	Taxable premiums (in \$ billions)	\$8.879	\$8.966	\$9.040	\$9.436	\$10.235
892	Amount of premium taxes collected (in \$ millions)	\$139.80	\$111.60	\$112.90	\$106.85	\$142.22
893	Tax collections as percentage of taxable premiums	1.257%	1.250%	1.248%	1.130%	1.390%
894	Total premiums subject to Louisiana Insurance Rating Commission (LIRC) assessment (in \$ billions)	\$4.360	\$4.420	\$4.530	\$4.530	\$4.469
895	Total amount of LIRC assessment collected (in \$ millions)	\$38.8	\$40.8	\$42.3	\$42.1	\$43.1
896	LIRC assessment collection as a percentage of subject premiums	0.93%	0.93%	0.93%	0.93%	0.93%
6397	Total fees collected (in \$ millions)	\$14.8	\$15.9	\$9.7	\$10.2	\$14.6
890	Total amount of revenues collected from taxes, assessments, fees, penalties and miscellaneous (in \$ millions)	\$165.2	\$168.8	\$168.9	\$161.9	\$202.8

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4. (SUPPORTING) Through the Information Technology (IT) Division, to achieve 100% completion of the department's integrated information system and continue progress on at least three information technology initiatives to increase consumer access to department services and information.

Strategic Link: This operational objective is related to Strategic Objectives: II.3.1 Increase the scope of information and services available through the DOI website; II.3.2 Make website information available for use for complaint filings, licensing renewals and premium and surplus lines tax filings user friendly.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The IT division has under taken three initiatives related to increasing consumer access to department services and information: online help and application availability for persons seeking to become licensed producers or wishing to renew their licenses; online filing of consumer complaints; and online filing of insurance premium tax and surplus lines tax. The department continues development and implementation of an integrated information system. The department anticipates that all projects underway may be somewhat delayed as a result of preparation for and accomplishment of the move to the new insurance building in early 2003. Changes in legislation and expansion of or changes to certain functions within the department have made some or all of these projects more comprehensive, so that while the department is making progress, there is more to do than when the project(s) were initiated, particularly with regard to the overall integrated information system.

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10145	S	Percentage completion of integrated information system	100%	93% ¹	100% ¹	100% ¹	90% ¹	90% ^{1,8}
10146	S	Percentage availability of integrated information system and major databases to users ³	70%	61%	90% ³	90% ³	90%	90%
10147	S	Percentage of integrated information system maintenance performed by in-house staff	70%	63%	75% ⁴	75% ⁴	70%	70%
13789	S	Percentage completion of online access to producer licensing renewal	Not Applicable ⁵	Not Applicable ⁵	50% ⁵	50% ⁵	20%	20% ⁸
13790	S	Percentage completion of online access to consumer complaint filing	Not Applicable ⁵	Not Applicable ⁵	20% ⁶	20% ⁶	20%	20% ⁸
13791	S	Percentage completion of online access to insurance premium and surplus lines tax filings	Not Applicable ⁵	Not Applicable ⁵	90%	90%	90%	90% ⁸

² The scope of the integrated information system has expanded, requiring additional planning and work. Although the FY 2002-2003 performance standard reflects 100% completion of the integrated information system, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend completion level to be 91%. This expansion of scope and move delay are reflected in the continuation level value.

² This indicator is a measure of the business hours the system is available (up and running) to users.

³ Although the performance standard is 90%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend completion level to be 70%.

⁴ Although the performance standard for FY 2002-2003 is 75%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend completion level to be 70%.

⁵ This performance indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. The initiative measured by this indicator was not in place in FY 2001-2002; it began in FY 2002-2003. Therefore, there is no yearend actual figure for this indicator.

⁶ Although the performance standard for FY 2002-2003 is 50%, the department indicates in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend completion figure to be 75%.

⁷ Although the performance standard for FY 2002-2003 is 20%, the department indicates in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend completion figure to be 40%.

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GENERAL PERFORMANCE INFORMATION: INFORMATION TECHNOLOGY DIVISION					
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
6399	Number of service request forms received	1,858	2,877	2,880	1,719
6400	Number of service requests fulfilled	Not Available	2,863	2,867	1,733
6401	Number of service requests satisfactorily fulfilled within 2 business days	1,412	2,598	2,650	1,328
10148	Percentage of service requests satisfactorily fulfilled within 2 business days	76% ¹	90% ¹	92% ¹	93% ¹

¹ This performance indicator was previously reported as a supporting indicator. It was moved by the department to General Performance Information for FY 2002-2003. The values shown were calculated by dividing the number of requests satisfactorily fulfilled within 2 business days by the number of request forms received.

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5. (SUPPORTING) Through the Office of Minority Affairs, to assist minorities and disadvantaged persons who wish to participate in the insurance industry as producers or as employees of insurers and related service companies.

Strategic Link: This operational objective is related to Strategic Objective(s): I.2.1 - Make available information about educational, training another resources to all minority and disadvantaged persons in the state wishing employment in the insurance industry as producers or employees of insurers or related service companies; I.2.2 Provide educational/training sessions to disadvantaged/minority persons seeking employment in the insurance industry; I.2.3 Via annual survey, develop a database of numbers of minorities in management and professional positions with insurers doing business in the state.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A standard insurer is one that rates a risk up or down from standard rates and that uses standard terms and conditions in its policies. A producer must have a contract with a standard company in order to offer its policies to his/her clients. Minority and disadvantaged producers have traditionally had trouble meeting some of the criteria for appointment/contract with standard companies, particularly the size of their book of business, or the dollar amount of premiums from all of the policies they sell. Key Agency Concept is a plan whereby minority producers who join with Key Agency, Inc. pool their resources and expertise to increase their book of business and thereby increase their chances of qualifying for appointment/contract with standard companies. In the last year the Office of Minority Affairs has expanded its scope and focus to assisting all minorities and disadvantaged persons who wish to work within the insurance industry, either as producers or as employees of insurance companies or the various support and service companies related to the industry. A survey has been distributed to insurers doing business in the state and the results are being collected and logged.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
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6403	S	Number directors and subagents working within the Key Agency concept	22	27	28	28	28	28
10161	S	Number of standard insurers to which minority producers have access	6	9	6 ¹	6 ¹	11	11
6405	S	Number of educational/training seminars provided ²	60 ²	1 ²	Not Applicable ²	2 ²	2 ²	2 ²

¹ Although the performance standard for FY 2002-2003 is 6, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 9.

² The department has changed the type of educational/training seminars that are being counted in this indicator. In prior years, these presentations were made to individuals or small groups, often in an informal venue. DOI is now providing more structured programs with a variety of presenters and topics, thus the drastic decrease in the number of programs anticipated. DOI provided only one seminar in FY 2001-2002 rather than the two that were planned. This unit has focused on developing the survey, distributing it, collecting responses and putting the data into a database to track progress and provide programs that better address the needs of the persons the department serves. Outreach at colleges and universities is ongoing, as are informal training/educational presentations to individuals and small groups who request DOI help.

All previous activities of this office continue, but the office provided only one formal educational/training seminar rather than the two that it had hoped to present in FY 2001-2002. The department believes that the investment in its survey will pay off in several ways, among them more effective seminars in the future. This indicator was discontinued for FY 2002-2003 and has no performance standard for current year; the value shown for existing performance standard is an estimate of yearend performance, not a performance standard.

³ This indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. In prior fiscal years, the department offered training sessions primarily for participants in the key agency concept. These comprehensive seminars will provide information and assistance to all minorities seeking employment in the industry, not only those wishing to become producers, and will assist producers with information on agency management, preparation of proposals to present to clients, client-solicitation and screening techniques, as well as information on what criteria various companies have in place for company appointment/contract.